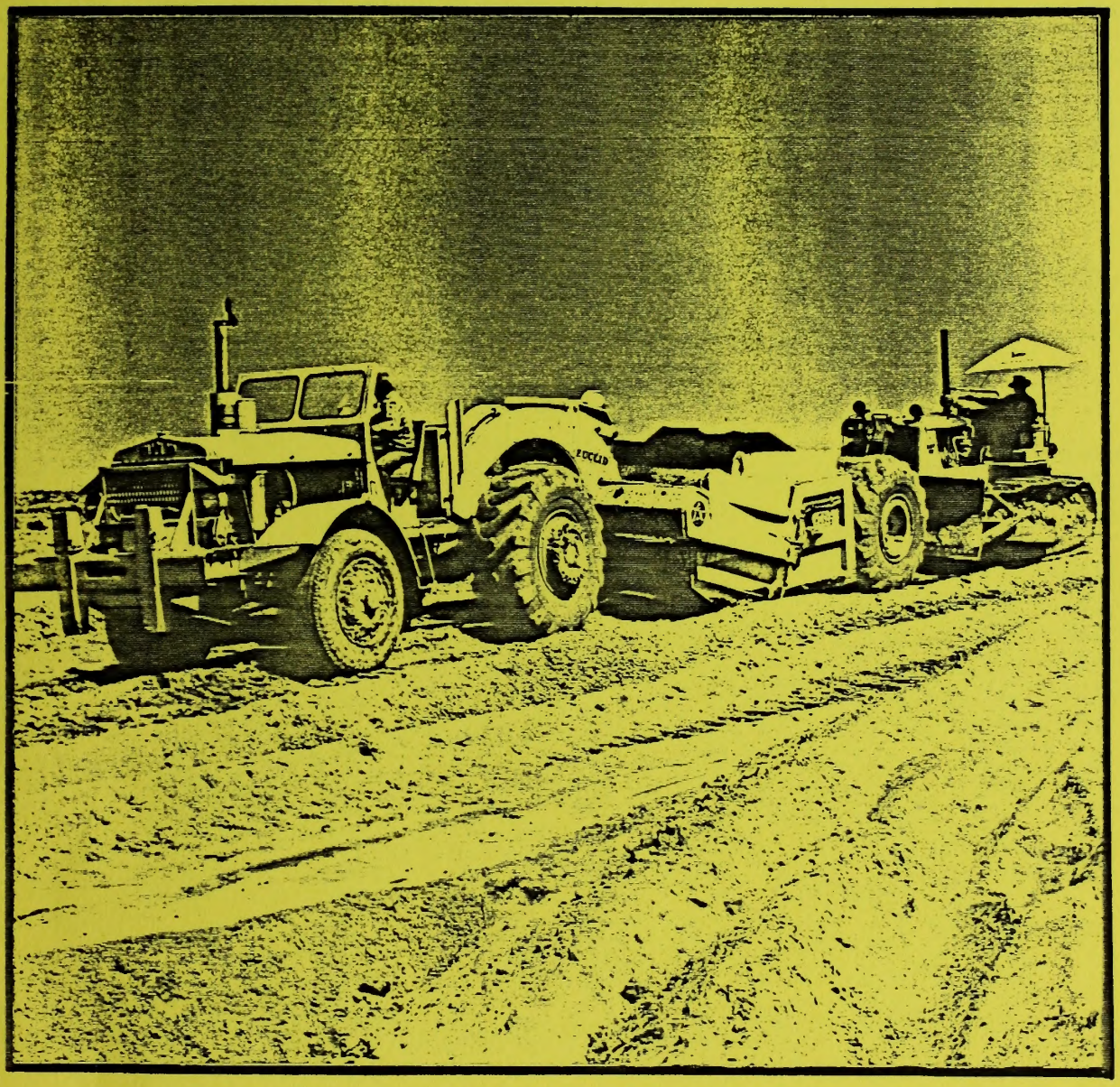
Minerals Materials Disposal



BLM Manual Handbook H-3600-1

Form 1221-2
(June 1969)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MANUAL TRANSMITTAL SHEET

Release
3-106
Date
3/1/85

Subject

H-3600-1 - MINERAL MATERIALS DISPOSAL HANDBOOK

1. Explanation of Material Transmitted: This release transmits a Handbook section to accompany the recently revised Manual Section 3600 - Mineral Materials Disposal.

2. Reports Required: None.

3. Material Superseded: None.

4. Filing Instructions: File as directed below, immediately behind the Manual Section material.

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Table of Contents

Chapter I. TYPES OF DISPOSALS — Page

A. Exclusive Disposals----------I--1
1. Negotiated Sale----------I--1
2. Competitive Sale----------I--2
3. Free-Use Permits----------I--4
4. Material Sites Under the Federal Highway Act----------I--5
B. Nonexclusive Disposals----------I--5
1. Community Pits----------I--5
2. Common Use Areas----------I--7
3. Disposals from Community Pits and Common Use Areas----I--7
4. Reclamation----------I--8

Chapter II. PAYMENT METHODS AND REFUNDS AND CREDITS

A. Sales Under $2,000----------II--1
B. Sales Over $2,000----------II--1
C. Refunds and Credits----------II--3

Chapter III. BONDING

A. What is a Performance Bond?----------III--1
B. Acceptable Types of Performance Bonds----------III--1
1. Cash Bonds or Personal Bonds----------III--1
2. Negotiable U.S. Treasury Bonds or Book Entry Deposits----------III--1
3. Bond of Corporate Surety----------III--3
C. When is a Bond Required?----------III--3
1. Sampling and Testing----------III--3
2. Sales----------III--4
3. Community Pit and Common Use Disposals----------III--4
4. Free-Use Permits----------III--4
D. Release of a Bond----------III--4
1. Release of a Cash Bond----------III--4
2. Release of a Treasury Bond----------III--4
3. Release of a Corporate Surety Bond----------III--4
E. Redeeming Bonds for Failure to Comply with Contract Terms and Conditions----------III--4

Chapter IV. SAMPLING AND TESTING

A. Letter of Authorization----------IV--1
B. Reporting Sampling and Testing Data----------IV--1

Chapter V. SPECIAL SITUATIONS Page

A. Unpatented Mining Claims----------V--1
B. Private Surface/Federal Minerals----------V--1
1. 1916 Stock-Raising Homestead Act Patents (SRHA)-------V--1
2. Lands Exchanged Under Section 8 of the Taylor Grazing Act of 1934, 43 U.S.C. §315g----------V--2
3. Other Reserved Mineral Estates----------V--2
C. Federal Mineral Leases----------V--3
D. Rights-of-Way Grants and Temporary Use Permits----------V--4
E. Powersite Withdrawals----------V--4
F. Joint BLM/Forest Service Disposals----------V--5
G. Acquired Lands----------V--5
H. Bureau of Reclamation Withdrawals (Reserved)----------V--5
I. Special Lands in Alaska----------V--5
1. NPR-A----------V--5
2. ANCSA----------V--5

Chapter VI. ACCESS

A. Federal Ownership of Surface and Minerals - Public Access Available----------VI--1
B. Federal Ownership of Surface and Minerals - Access Through Private Property----------VI--1
C. Private Surface with Minerals Reserved to the U.S. - Access Across the Same----------VI--1

Chapter VII. UNAUTHORIZED USE OF MINERAL MATERIALS

A. Surveillance----------VII--1
B. Recovery of Damages----------VII--1
C. Stock-Raising Homestead Act Trespass----------VII--1
D. Law Enforcement Under Section 303 of FLPMA----------VII--2
E. Common Variety Distinctions (Reserved)----------VII--3

Chapter VIII. FINANCIAL MANAGEMENT SYSTEM AND REPORTING DISPOSAL DATA AND PROGRESS (RESERVED)

Chapter IX. REFERENCES IN CASE LAW

A. Extensions of Contract Terms----------IX--1
1. 35 IBLA 33 (1978)----------IX--1
2. 45 IBLA 151 (1980)----------IX--1
B. Material Site Rights-of-Way----------IX--1
1. 6 IBLA 72 (19)----------IX--1
2. 61 IBLA 116 (1982)----------IX--1
C. Refunds or Credits----------IX--1
1. 79 IBLA 76 (1984)----------IX--1
D. Land Status----------IX--1
1. 62 IBLA 187 (1982)----------IX--1
E. Alaska, NPR-A----------IX--1
1. 68 IBLA 359 (1982)----------IX--1

Illustrations

1. Vegetative or Mineral Material Negotiated Cash Sale Contract (Sale)
2. Vegetative or Mineral Material Negotiated Cash Sale Contract (Free Use)
3. Sample Calculation of Reclamation Costs
4. Collection Data Sheet
5. Cash Bond
6. Personal Bond for Book Entry Deposits
7. Bond Secured by Treasury Notes or Bonds
8. Corporate Surety Bond

Chapter I. TYPES OF DISPOSALS

A. Exclusive Disposals. Exclusive disposals are those from which the applicant has an exclusive right to the materials and sole responsibility for development and reclamation of the site or a designated portion of the site. There are three types of exclusive disposals: negotiated sales, competitive sales, and free-use permits.

1. Negotiated Sale. A negotiated sale is a noncompetitive sale not exceeding the limitations in volume set forth in 43 CFR Section 3610.2. Negotiated sales within the volume limitation should not be made where there is evidence of competitive interest. Steps in the issuance of a negotiated sale are as follows:

a. A written request for materials is received. The request should specify the area of the proposed disposal, the type and volume of materials needed, and the appproximate length of time required for removal. If the request does not contain this information, the requestor should be contacted immediately to obtain this information.

b. The Bureau and county records should be checked to determine if the site is free of unpatented mining claims or other encumbrances that prevent disposal. The land use planning documents should also be checked to assure compatibility with the proposed disposal. In urban areas, city and/or county zoning or planning departments should be consulted to identify potential conflicts or additional requirements that may be placed on the prospective operator.

c. If all records show that the site is available and the action is compatible with land use planning, the requestor should be notified to complete an application/contract form and submit a mining and reclamation plan if required.

d. If required, the mining and reclamation plan should be reviewed and the applicant notified of needed changes.

e. When the mining and reclamation plan have been finalized to the satisfaction of all parties, an environmental review is performed. For sales over 100,000 yd^3 or disturbing greater than 10 acres, an environmental analysis is required. For sales less than 100,000 yd^3 or disturbing less than 10 acres, a categorical exclusion review is necessary. Changes to the mining and reclamation plan, in the form of special stipulations, may be found necessary as a result of the environmental review. The applicant should be notified of these special stipulations prior to further case processing.

f. An appraisal is conducted to determine the fair market value of the material. The applicant should be notified of this value. Appraisals must be up-dated as the market changes, and at intervals of no greater than 2 years.

g. For sales of $2,000 or more, the applicant must post a performance bond. For sales less than $2,000, the bonding requirement may be waived at the discretion of the authorized officer.

h. Prior to or immediately after contract authorization, the site should be identified (flagged, posted, etc.) on the ground and noted by the applicant to discourage unintentional trespass.

i. Upon payment of the first installment or the entire contract value, the authorized officer signs and dates the contract. The applicant is provided with a copy of the contract, any special stipulations, and the approved mining and reclamation plan.

j. A memorandum is sent to the State Office records section requesting a serial number and platting of the site.

k. The case should be entered into the Automated Land and Mineral Records System (ALMRS) (or Alaska Automated Land Records System (AALRS) in Alaska) and ADP systems.

2. Competitive Sale. A competitive sale is a sale exceeding the volume limitations set forth in 43 CFR Section 3610.2 or one in which there is competitive interest. Competitive sales are initiated by request of a private party or by the Bureau. The sales are advertised and conducted through sealed and/or oral bidding. The appraised fair market value sets the minimum bid. Steps in the issuance of a competitive sale are as follows:

a. See A 1(b).

b. See A 1(j).

c. An appraisal is made to determine fair market value and establish the minimum bid and bid deposit. (See 43 CFR 3610.3-4.)

d. An environmental assessment or categorical exclusion review is completed from which mitigating measures in the form of stipulations are developed. These stipulations and environmental review documents may need amendment after receipt of the mining and reclamation plan submitted by the successful bidder.

e. Bids are solicited by advertising in a newspaper and by distribution of a sales notice to interested parties. A material sale advertisement is composed, prepared on Bureau Form 1510-18, Requisition/Oral Order Form, approved by the purchasing office, and transmitted to a newspaper of general circulation in the area of the sale. The advertisement must be printed on the same day, once a week for 2 consecutive weeks, ending no sooner than 1 week prior to the date of the sale. The advertisement must contain the information specified in 43 CFR 3610.3-2.

f. A sales notice, containing at a minimum the information in the newspaper advertisement, should be sent to all known prospective bidders and posted in a conspicuous place in the District and/or area Office. The date of posting should be noted on the face of the notice.

g. Conduct the sale by taking the following steps using a combination of sealed and oral bidding (for sealed bidding only, follow steps 1 through 4, 9, 11, 12, 13, and 14: for oral bidding only, follow steps 2, 3, and 5 through 12):

(1) Ask for sealed bids before sale time.

(2) Read the material sales notice aloud.

(3) Post the appraisal value and minimum deposit required on the blackboard.

(4) Open the sealed bids and post the bid and amount of deposit of each bid on the blackboard.

(5) Announce the rules for oral bidding.

(6) Request those interested in bidding to qualify by making the required deposit as specified in 43 CFR 3610.3-4 and the sales notice.

(7) Call for bids.

(8) Record each bid and bidder as received.

(9) Close the bidding and announce the highest bid and bidder. Any and all bids may be rejected if it appears in the interest of the United States to do so: minor deficiencies in bids or the sale advertisement may be waived; high bid will be rejected if below appraised value.

(10) Require that the high bidder sign a confirmation of his oral bid.

(11) Advise bidders that should the high bidder fail to submit necessary information within the timeframe specified in 43 CFR 3610.3-5, the next highest bidder may be offered the contract for the amount of the high bid.

(12) Return the deposit checks to the unsuccessful bidders.

(13) Prepare a voucher for bid deposit.

(14) Provide the successful bidder with the contract and advise of additional preissuance requirements (see 43 CFR 3610.3-5(b)) and 30 day time limit.

h. See A 1(d).

i. See A 1(g).

j. See A 1(h).

k. See A 1(i).

l. See A 1(k).

3. Free-Use Permits. Free-use permits are contracts issued to governmental entities and/or nonprofit organizations or corporations for the use of mineral materials free of charge. The amount of material provided to nonprofit organizations is limited to 5,000 yd^3 per 12 month period. The issuance of a free-use permit is a discretionary action and permits should not be issued where the applicant already owns or controls an adequate supply of material, or the disposal is contrary to public interest. The Material Sales Act dictates that minerals disposed of free of charge may not be used for commercial or industrial purposes or resale. Steps in the issuance of a free-use permit are as follows:

a. Same as steps A 1(a-e).

b. The value of the material should be determined by appraisal or estimation by a qualified appraiser; however, the timing is not crucial. The appraised or estimated value is needed when reporting the disposal in the ADP system.

c. Bonding of free users is discretionary. Reasons for requiring a bond may include past record of poor performance, past failure to observe stipulations or past failure to reclaim. It should be noted that some governmental entities, particularly the Federal Government, do not have the authority to past bonds.

d. The authorized officer signs and dates the permit. The applicant is provided with a copy of the contract, approved mining and reclamation plan, and any special stipulations.

e. See A 1(j).

f. The case is entered into the ALMRS (or AALRS in Alaska) and ADP systems.

4. Material Sites under the Federal Highway Act. A free-use permit may not be issued in lieu of a material site applied for under the Federal Highway Act, 23 U.S.C. 317 (see 6 IBLA 72); however, the mineral specialist should work with the authorized officer to ascertain measures and stipulations to be applied to material site appropriations to protect resource values. Procedures for the appropriation of materials for Federal-aid Highway purposes are outlined in Interagency Agreement AA 851-IA2-40 between the Bureau and Federal Highway Administration. This document was signed in July 1982, and became effective upon the revocation of 43 CFR 2820 - Roads and Highways, on October 28, 1982. Material sites are closed to entry under the mining laws.

B. Nonexclusive Disposals. Nonexclusive disposals are made from sites to which the general public has access and from which more than one party has a right to remove materials. There are two types of nonexclusive disposal sites: the community pit and the common use area. The distinction between the two is that common use areas are generally broad geographic areas which, after removal of the minerals, do not require reclamation.

1. Community Pits should be established based on an indicated need for multiple small disposals of a particular type of material in a given area. There is no limitation on the size of community pits. Steps in the designation of community pits are as follows:

a. An appropriate site is found based on: quality and quantity of material, as determined by sampling and testing where required; land availability, as determined by a review of mining claim records and MTP's; and compatibility with land use planning documents.

b. A memorandum is sent to the State Office records section requesting a serial number and platting of the community pit on the master title plat. A case file should be set up for the site. Individual disposals from community pits are not serialized or noted on the master title plats.

c. A mining and reclamation plan is developed. The plan should clearly address all stages of the mining and reclamation operation. The plan should also include an estimate of the total site preparation and reclamation cost divided by the total volume or weight of materials onsite resulting in a per ton or cubic yard reclamation cost to be added to the fair market value of the inplace material. A copy of the mining and reclamation plan should be placed in the case file. The plan should be modified if any deviations are anticipated or deemed necessary. Permittees should be given operating instructions which conform to the mining plan.

d. An EA is prepared if over 100,000 cubic yards are estimated to be taken or larger than 10 acres will be disturbed over the life of the deposit. If under 100,000 cubic yards are to be removed or less than 10 acres disturbed, a categorical exclusion review is necessary. A copy of the environmental review documents should be placed in the case file.

e. An appraisal is conducted to determine the fair market value of the material. Appraisals must be updated as the market changes. At a minimum of 2 year intervals, the mineral specialist should research the market to determine if prices have changed appreciably. When prices have changed, a new appraisal should be made.

f. Mineral assessments and planning documents should be annotated as to the community pit designation.

g. The site should be physically prepared. In order to recover the expenses involved in the preparation of the site, such as overburden removal or stockpiling, the work should be charged to Treasury Account 14X5017, subactivity 5320 for work on Public Lands or subactivity 5310 for work on Acquired, Oregon and California grant (O&C) or Coos Bay Wagon Road (CBWR) lands. These expenses should be calculated in the cost of reclamation and recovered through reclamation fee assessments.

h. The site is posted with signs (BLM sign No. S-37), to mark the boundaries of the community pit. This is especially important if the site is adjacent to an exclusive sale area. Tie ribbons to trees, make rock cairns, or where necessary, fence the boundaries of the site.

i. A handout should be prepared to give to permittees. The handout should include operating instructions, stipulations, a map showing access, and the boundaries of the community pit in relationship to topographic features or other markers, and other pertinent information.

j. The establishment of the community pit should be advertised in a local paper, preferably at least a week prior to the pit opening.

k. The case should be entered into the ALMRS (or AALRS in Alaska) and ADP systems.

2. Common Use Areas. To establish a common use area, follow the same steps as those found in the designation of a community pit with the following exceptions:

a. The designation of, or subsequent disposals from, common use areas does not have to be noted on the use plats as it does not affect subsequent use or have a segregative effect on land status.

b. No mining or reclamation plan is normally required.

c. Normally, the site will not require preparation.

d. The established site does not need to be posted with a Bureau sign; however, some identifying land markers would be helpful.

e. The establishment of the site need not be advertised.

3. Disposals from Community Pits and Common Use Areas. Sales and free-use permits not exceeding $999.99 in value should be made on Form 5450-5, "Vegetative or Mineral Material Negotiated Cash Sale Contract, $999 or less." The term of a 5450-5 disposal contract for mineral material disposals must not exceed 90 days. An additional contract must be executed for disposals greater than $999.99 or use periods exceeding 90 days. Free-use permits and sales may be issued on exclusive use contract and permit forms from nonexclusive disposal sites, provided a reclamation fee is paid or reclamation work is performed in lieu of the fee. See Illustrations 1 and 2 for properly completed Forms 5450-5, for sales and free use, respectively. Forms 5450-5 are accountable forms and when incomplete should not leave possession of the authorized officer. However, in situations where it is impractical to meet the applicant in the Field or in the office, a signed request by the applicant, attached to an otherwise complete Form 5450-5 is sufficient. The signed receipt copy of Form 5450-5 can then be mailed to the applicant. The applicant should have the permit inhand while removing material from the site.

4. Reclamation.

a. How to assess reclamation fees. The reclamation fee is calculated during the preparation of the mining and reclamation plan; however, the known costs of site preparation may necessitate subsequent fee adjustments. All costs of reclamation, including estimated costs for labor, equipment, and supplies should be totalled and divided by the total estimated volume or weight of materials in the site. This calculation will result in a per unit reclamation fee. If during the life of the pit it appears the the total reclamation fee is insufficient to accomplish planned reclamation, the fee should be recalculated based on the amount of material remaining in the pit. See Illustration 3 for a sample calculation of reclamation costs.

b. Collection of fees. Fees collected for the reclamation of material sites should be identified separately on the upper portion of Form 5450-5. The total reclamation payment should be designated on the bottom half of Form 5450-5 under Material Site Reclamation, and further identified as fees from public domain (5320) or fees from O&C and/or CBWR (5310). Proper identification on Form 5450-5 ensures accurate preparation of the Collection Data Sheet which enters the funds into the financial system. A properly completed Form 5450-5 and corresponding Collection Data Sheet are shown in Illustrations 1 and 4, respectively. The accounts receivable clerk is usually responsible for completion of the Collection Data Sheet. Reclamation fees from sales made on other forms should be properly entered into the reclamation account.

c. Provisions for performance of reclamation in lieu of payment of the reclamation fee. The decision to allow a user to perform reclamation in lieu of payment of a fee is discretionary and should always reflect the best interest of the Government. The agreement to reclaim and the specifics of how the reclamation is to be performed should be made a part of the contractual agreement under Section 3, Special Stipulation, Form 5450-5, or as a special stipulation on other sales contracts or free-use permits.

d. How to access the reclamation fund. When interim or final reclamation of a community pit is necessary, the cost of this work is charged to subactivity 5320 if on public domain or subactivity 5310 if on O&C or CBWR lands. A log of the amount of materials disposed of and reclamation fees collected and charged against should be kept in each case file to verify available reclamation funds. This is important as other monies are kept in the reclamation account and there is no accounting method to distinguish the source of the monies.

Chapter II. PAYMENT METHODS AND REFUNDS AND CREDITS

A. Payment Methods. Payments for mineral materials may be made by lump sum payment or by installment. Regardless of the payment method, materials must be paid for prior to removal.

1. Sales Under $2,000. For sales valued at less than $2,000, full payment is due at or immediately after contract approval and prior to removal of the material.

2. Sales Over $2,000. For sales valued at greater than $2,000, payments may be made on an installment basis. All installment payments must be not less than $500 or 10 percent of the total purchase price, whichever is greater. The permittee must annually produce or remove materials equal in value to the first installment or, in lieu, make an equivalent payment which may be credited to future production, but never refunded, unless upon expiration the permittee has paid for more material than originally contracted for.

The first installment is made as a bid deposit at a competitive sale or prior to, or at approval of, a negotiated sales contract. The first installment is retained as security and used as the last payment where applicable.

The second installment is made after the contract is approved and prior to removal of the materials. Materials of a value greater than the second payment must not be removed without additional prepayment.

The third payment is made prior to or when the value of materials removed equals the second installment. All additional payments are made based on the same criteria as the third payment, with the exception of the final payment.

If material contracted for is completely removed before the end of term, the applicant and authorized officer should terminate the contract to prevent further payments in lieu (although the payments will be refunded).

Buyers should be notified that the initial deposit and payments in lieu will be credited at the fair market value in effect at the time of removal. Therefore, where the material has been reappraised at a higher value, payments in lieu made prior to the reappraisal will no longer purchase the same amount of mineral.

Below are two examples of payment ledgers for installment sales.

Example 1. Negotiated Sale
5-year term, starting January 1, 1983
12,000 yd^3 contracted for at
50¢/yd^3
Total Value $6,000

Date	Payment	Material Removed
12/82	$ 600	-0-
3/83	$ 600	1200 yd^3
6/83	$ 700	1400 yd^3
12/84	$ 600	payment in lieu for 84
3/85	$ 600	2400 yd^3*
3/86	$1200	2400 yd^3
1/87	$ 800	1600 yd^3
6/87	$ 600	1200 yd^3
1/88**	Contract expires - initial deposit not refunded, remaining 1800 yd^3 unavailable to permittee.	

* Includes material paid for by 84 payment in lieu.

** The initial deposit of 12/82 should not be applied until all but 1200 yd^3 remain. If, prior to expiration, the permittee submits $300 for the additional remaining 600 yd^3, the initial deposit may be applied.

Example 2. Competitive Sale
10-year term, starting January 1, 1983
12,000 yd^3, at 50¢/yd^3
Total Value $6,000

Date	Payment	Material Removed
12/82	$ 600	-0-
1/83	$ 600	1200 yd^3
6/83	$1000	2000 yd^3
4/84	$ 600	1200 yd^3
12/85	$ 600	payment in lieu
12/86	$ 600	payment in lieu
3/87	$ 800	4000 yds*
12/88	$ 600	payment in lieu
2/89**	$ 600	2000 yd^3
3/90	$ 360	1600 yd^3***

* Includes credit for 2400 yd^3 paid in lieu for years 86 and 87.

** Reappraisal raised price to 60¢/yd^3. Permittee given credit for 1000 yd^3 at reappraised price.

*** Includes credit for initial deposit of $600 for 1000 yd^3 of material. At this point, the permittee has removed all the material contracted for and should request cancellation of his contract to avoid future payments in lieu, or request a contract modification to increase the volume of material under contract.

It should be noted that each office may handle payments differently from the two examples, however, all payment methods should conform to the regulatory requirements pertaining to payments in lieu and refunds or credits.

B. Refunds and Credits. The regulations addressing refunds and credits for payments made for mineral materials were designed to promote diligence, while allowing equitable treatment to those operators who entered into contracts with good faith and for reasons beyond their control could not fulfill the terms of the contract. However, regardless of the circumstances, refunds will not be made where the total sum of monies paid by the permittee does not cover the administrative costs of processing the disposal action. Permittees should be advised of this and other requirements found in 43 CFR Section 3610.1-4 relating to refunds and credits. The computation of administrative costs should be documented and available to the permittee upon his request.

Refunds or credits may be made if (1) the permittee pays for more material than he wants and originally contracted for, or (2) it is discovered that the material contracted for is unavailable because the site contained less material than originally estimated, or (3) material will not be removed due to termination of the contract as agreed by the permittee and authorized officer. Payments in lieu of production may not be refunded in cases of termination. If a negotiated sales contract is not approved, or if a bidder at a competitive sale is unsuccessful, the first installment is returned or refunded. However, if the successful bidder at a competitive sale fails to submit information needed to process the application, his bid deposit will be forfeited as provided in 43 CFR 3610.3-5.

Chapter III. BONDING

A. What is a Performance Bond? In general, a performance bond is similar to an insurance policy obtained by the applicant and offered to the Bureau as a guarantee of acceptable performance and compliance with the terms of the contract. The bond security may be in the form of cash or negotiable treasury bonds, owned, controlled, and offered by the applicant directly to the authorized officer. More often , however, the bonding agreement is secured by the guarantee of a surety company who agrees to be liable for the applicant's performance. In all cases, the bond must consist of a bonding document and some form of security. The originally executed documents should be retained by the Bureau, either in a State or District bond file and reference to the location of the bond or a copy of the bond should be held in the case file.

B. Acceptable Types of Performance Bonds. The following guidelines must be adhered to when accepting security for bonds: (1) the funds must be guaranteed and negotiable at full value by the Government, (2) the funds must be accessible to the Government at all times, and (3) the funds must not be available to the permittee without release by the Government. This means that securities in the form of stocks, certificates of deposits, and bank accounts from which the permittee may withdraw funds are not acceptable forms of bond security. In addition, registered notes or bonds issued by the Treasury Department will not be accepted for deposit by the Federal Reserve Bank, where all negotiable securities are held by the BLM. Therefore, Treasury bonds, other than bearer bonds, are no longer acceptable forms of security. Three acceptable forms of bond security are:

1. Cash Bonds or Personal Bonds. These bonds are secured by cash, or cash equivalent payable to the Bureau. The cash received must be equal to the required bond value and deposited and retained by the Bureau until the bond is terminated or default has occurred. An acceptable format for a cash bond, with built-in power of attorney, is shown in Illustration 5. The bond form and power of attorney, if a separate document, must be originally executed by the contract purchaser. The cash is deposited in Suspense Account 14x6872 (see Manual 1372.25D).

2. Negotiable U.S. Treasury Bonds or Book Entry Deposits. As of January 1, 1983, the Treasury Department no longer issues Treasury bonds or notes (bearer bonds). For those applicants unable to furnish bearer bonds, they may furnish registered Treasury notes or bonds in the form of book entry deposits from a commercial bank to the Federal Reserve Bank in Denver. Any charges levied by the Federal Reserve Bank or Treasury Department must be paid by the applicant. The steps to be taken to arrange for security in the form of book entry deposits are as follows:

a. Instruct the applicant requiring the bond to contact a commercial bank and ask that they pledge a book entry deposit for a Treasury bond or note in the name of the Department of the Interior, Bureau of Land Management, in the amount required. You can suggest they contact the Denver Federal Reserve, (303) 534-5500 Ext. 44, if they have any questions.

b. They must then complete a power of attorney (personal bond) which authorizes the Bureau of Land Management to use the funds in case of default on the lease terms. See Illustration 6 for a sample format.

c. They must furnish the information listed below:

(1) Name and address of applicant.

(2) Social Security or Taxpayer ID Number of applicant.

(3) Serial Number of the applicant.

(4) The par value of the pledge ($10,000, $25,000, etc.).

(5) The name of the commercial bank handling the bond.

(6) The type of security (i.e., Treasury note or Treasury bond).

(7) The interest rate.

(8) The maturity date.

d. When the power of attorney is completed and BLM is advised that the book entry deposit has been made, contact the Service Center (D-510) on FTS 776-6621 and give them the information listed above.

e. Follow the call with a confirmation memorandum.

D-510 will get a document evidencing the deposit and identifying the security. A separate case file will be created for each security. The submitting office will be notified upon receipt of the deposit advice. The Federal Reserve will make interest payments to the bond owner and, when the bond matures, the money will be deposited to BLM for refund. Any charges levied by the Federal Reserve or the Treasury Department must be paid by the applicant or permittee and not by the Bureau of Land Management. Treasury bonds or notes issued prior to January 1, 1983, may be accepted, with a power of attorney authorizing the Secretary to sell such securities upon default. The bonds must be negotiable and are sent with the attached coupons by registered mail to the Branch of Financial Management, DSC, to be forwarded to the Federal Reserve Bank for safekeeping. The Federal Reserve will clip and forward interest bearing coupons as they mature to the permittee; however, in order for the Federal Reserve Bank to forward interest, the social security number or corporate tax identification number of the permittee must be sent to DSC. Bonds secured by Treasury notes or bonds should be executed on a form containing provisions similar to the sample format shown in Illustration 7.

3. Bond of Corporate Surety. The surety must be approved by the U.S. Treasury Department to underwrite Federal bonds. The bond form must be affixed with the seal of the surety and accompanied by a power of attorney from the surety for its agent. The applicant must be provided with a copy of the contract and any special provisions or stipulations to present to the surety prior to bond issuance. See Illustration 8 for an example of a corporate surety bond. (Note, the power of attorney from the surety to the agent is not included in the illustration.) Corporate surety bonds may be assigned.

C. When is a Bond Required? A bond is necessary when surface disturbance or resource damage is expected or likely and the Bureau wants an assurance of proper reclamation and compliance with protective stipulations. In instances where memorandums of understanding or interagency agreements provide for the acceptance of one bond to satisfy all Government bonding requirements, the authorized officer should be certain that: (1) the value of the bond meets the minimum limits prescribed in 43 CFR 3610.1-5 and is sufficient to cover expenses arising from damages incurred by violation of Federal laws, and those damages incurred by violation of rules invoked by the other participating agency, and (2) the Bureau has the power of attorney to redeem the bond, without third party consent, if necessary to remedy breeches of contract.

1. Sampling and Testing. Bonding may be required, at the discretion of the authorized officer, for sampling and testing activities conducted pursuant to a letter of authorization. The value of the bond should be sufficient to ensure proper resource protection and cover reclamation costs. These costs must be estimated using descriptions of the proposed activities in the exploration plan.

2. Sales. Bonding for sales is mandatory or discretionary dependent on the dollar value of the materials contracted for. If the value of the materials changes due to reappraisal or contract adjustment and exceeds the discretionary bonding threshold, a bond must be required. See 43 CFR 3610.1-5(a-b).

3. Community Pit and Common Use Disposals. No bond is required for sales or permits when the reclamation fee is paid by the permittee. Where reclamation is performed in lieu of payment of a fee, a bond may be required to assure adequate reclamation.

4. Free-Use Permits. The authorized officer may require a performance bond from Governmental or nonprofit entities applying for a free-use permit. (See 43 CFR 3621.1-6.)

D. Release of a Bond. A bond may be released only when it is determined that all terms and conditions of the contract or permit have been complied with, including proper reclamation.

1. Release of a Cash Bond. Upon termination of cash bond, the permittee should be sent the power of attorney made payable to the Secretary of the Interior and a letter acknowledging his release of liability under the bond. By reference to the original accounting advice, the District Office requests that DSC refund the permittee's cash.

2. Release of a Treasury Bond. Upon termination of a treasury bond, DSC should be notified by the District Office of the release of liability and they will return the treasury bonds to the permittee.

3. Release of Corporate Surety Bond. To release a corporate surety bond, the authorized officer must notify the surety of the permittee's fulfillment of the contract obligations and cancellation of the surety's liability.

E. Redeeming Bonds for Failure to Comply With Contract Terms and Conditions. When it is determined that the permittee has failed to meet the terms and conditions of the contract or applicable rules, action should be taken to protect the interests of the U.S. The permittee should be notified by certified mail, with copy to surety, if applicable, of the violation and given a reasonable period of time in which to take corrective action. If the violation is not cleared to the satisfaction of the Bureau, the Bureau may take action to correct the violation, if necessary, and collect the bond security to cover either the expense of corrective action or monies owed for materials removed without payment. Where the bond is placed through a surety company, the Bureau will request payment, detailing the nature of the default. Bonds secured by cash can be retrieved by transfer of the cash from the suspense account to the charging account. Where bonds are secured by Treasury bonds, the Division of Financial Operations at the Denver Service Center is notified to cash such securities and deposit the money into the account to which corrective activities will be charged.

Chapter IV. SAMPLING and TESTING

In some situations, the public may desire to explore for mineral materials appropriate for their needs or sample or test areas known to have mineral material deposits prior to application. Such exploration, sampling, and testing should be done under a letter of authorization issued by the authorized officer.

A. Letter of Authorization. In order for a party to obtain a letter of authorization, the nature of the activity must be known; hence, the requestor should submit a plan showing the area involved, extent of surface disturbance, type of equipment to be used, method of restoration if required, etc., or the party may choose to describe the proposed activity to the authorized officer. There is no standard form for a letter of authorization; however, each letter should describe the allowed activity (or reference and attach the plan), establish a timeframe for accomplishing the activity, and stipulate conditions for operating. The letter of authorization should also notify the party that the authorization does not convey a preference right to a contract or permit. Prior to issuance of a letter of authorization, a categorical exclusion review should be performed and, where necessary, the authorized officer may require a performance and/or reclamation bond. Reclamation may not be practicable if the deposit is subsequently developed under a use authorization. The authorized officer does not have to issue a letter of authorization if the proposed action is not in the public interest.

B. Reporting Sampling and Testing Data. Prior to issuance of a letter of authorization, the party should be informed of the regulatory requirement to submit his findings to the authorized officer. The information obtained should be used in establishing a mineral materials data base for planning purposes, provided such information is not confidential in nature. Parties submitting information should be allowed to identify that information which is believed to be exempt from disclosure under the Freedom of Information Act. (See 43 CFR Section 2.11.)

Chapter V. SPECIAL SITUATIONS

A. Unpatented Mining Claims. Sales or free-use permits cannot be made from lands on which there are properly recorded mining claims. If disposal is necessary from areas covered by mining claims, the simplest procedure is that of requesting a relinquishment of the unpatented claim. If that fails, performing a validity examination is necessary. Applicants should be warned that it could take years for a final decision to be reached in a validity contest. The Government should also determine if validity procedures are justified. Once the land is clear of unpatented claims, a disposal site should be approved and noted in the records immediately to prevent further claim location. Mining claims can be located subsequent to a use authorization; however, the rights of the claimant are subject to the use authorization, while in effect. The use authorization may be extended as provided in 43 CFR 3610.1-7 and 43 CFR Section 3621.1-2 without loss of priority rights. Millsites and tunnel sites are technically considered unpatented mining claims and must be relinquished or cleared before disposals can occur. However, millsites are invalid if located on lands which are mineral-in-character.

B. Private Surface/Federal Minerals. Disposal of mineral materials from split estates where the surface owner objects to disposal should be avoided where possible. However, in many areas, this is not possible and the Bureau should accommodate applicants while minimizing problems for the surface owners.

1. 1916 Stock-Raising Homestead Act (SRHA) Patents. On June 10, 1983, the Supreme Court ruled that gravel was a mineral reserved to the United States in 1916 SRHA patents. (See Watt v. Western Nuclear, Inc., 103 S. Ct. 2218 (June 6, 1983)). Therefore, on SRHA patents where the government still retains the mineral estate, the Bureau has the right to authorize the prospecting and removal of mineral materials from such lands. Purchasers of Federal mineral materials from SRHA patents should be advised of the three methods for providing for protection of surface owner rights. (See 43 CFR 3814 for applicable regulations.) It should also be stressed that the permittee should not pay the surface owner for the materials or for damages over and above those specified in the 1916 and amendatory 1949 Act, namely, damage to crops, tangible improvements, and grazing values. The permittee should also be aware that access to the Federal minerals across the original patent is a statutory right; however, arrangements for the compensation of damages must be made prior to reentry. (See 43 CFR 3814.) The treatment of past unauthorized use on SRHA lands is addressed in Chapter VII.

2. Lands Exchanged under Section 8 of the Taylor Grazing Act of 1934, 43 U.S.C. 315g. Disposals of mineral materials may be made from mineral estates reserved to the Government under Section 8 of the Taylor Grazing Act. (See Poverty Flats Land and Cattle Company v. U.S., U.S. District Court, for District of New Mexico.) The Taylor Grazing Act provides that authorized persons may prospect, mine, and remove the mineral deposits, upon payment to the owner of the surface for damages to the land and improvements. Unlike the SRHA, there are no special methods prescribed for dealing with the surface owner; however, if the permittee and surface owner cannot agree on the compensation for damages, the Bureau may also serve as an arbitrator and hold a bond to assure the surface owner adequate compensation. As with the SRHA, the permittee should not pay the surface owner a royalty or fee for the minerals, but only compensation for surface damages.

3. Other Reserved Mineral Estates. Disposals of mineral materials from split estates created by FLPMA 203 and 206 sales and exchanges and other acts which state that the Secretary may dispose of minerals pursuant to the promulgation of rulemaking, may be made under the authority of the 43 CFR 3600 regulations as revised June 10, 1983.

C. Federal Minerals Leases. Regulations at 43 CFR 3610.2-3 state that "No charge shall be made for mineral materials necessarily moved in the process of extracting minerals under Federal lease, as long as the minerals remain within the boundaries of the lease and are used for lease development." A 1959 Departmental decision addressing the rights of an oil and gas lessee concluded that the lessee was not entitled by virtue of his leasehold interest to take and use mineral materials from the lease for operations under the lease. More recently, however, the Bureau has taken the position that where stated as a condition of a lease and where the approved plan of operations indicates, the necessary disturbance of mineral materials in the process of removing a leased mineral does not require compensation to the Government. Once the material has been disturbed, it may be used in lease development, provided the materials are not removed from the lease. Lease development includes those operations directly related to mining and processing and other related activities authorized under the lease. Lessees will not be allowed the use of mineral materials where the mining plan for removal of the leased mineral has been designed or altered to intentionally include the disturbance of deposits of mineral materials. In other words, a mining plan which involves a greater disturbance than necessary for the removal of the leased mineral, solely for the purpose of disturbing and thereby obtaining mineral materials free of charge under Section 3610.2-3, should not be approved by the authorized officer. If, for whatever reasons, the plan is approved, such approval will not be construed to authorize the free use of minerals in lease development. The lessee should be notified that these materials must be purchased from the BLM under a material sales contract. For instance, if a coal company expands its area of disturbance to include the mining of both the coal deposit and an adjacent mineral material deposit in one operation, the plan could be approved, but must be contingent on the purchase of the mineral materials under the 43 CFR 3600 regulations. Principally, the Bureau's position in providing for the use of materials from Federal leases stems from a desire to minimize environmental damage resulting from additional disturbances, prevent the waste of mineral materials necessarily disturbed in the mining process, and to cooperate with lessees whose operations unavoidably disturb mineral materials. The Bureau does not have the statutory authority to dispose of mineral materials without compensation to entities other than qualified free users; hence, the regulatory restriction that the materials should not be removed from the leases. It should also be noted that lessees may purchase up to 200,000 $yard^3$ of material noncompetitively. (See 43 CFR Section 3610.2-3.)

D. Rights-of-Way Grants and Temporary Use Permits. The right-of-way regulations are explicit as to use of mineral materials in conjunction with right-of-way grants or temporary use permits. The regulations of 43 CFR 2801.1-1(d) provide for the grant holder to pay for all materials used except for those that are necessarily removed in the construction of a project and will be used in the same right-of-way grant or permit. Consider the "common varieties of stone and soil" wording in the regulations to include all salable minerals. Material removed from a cut can be used on the same right-of-way for a necessary fill operation without a sales contract. However, material excavated from a right-of-way where cuts are not necessary will be chargeable.

E. Powersite Withdrawals. The Federal Energy Regulatory Commission (FERC), formerly the Federal Power Commission, by memorandum of understanding, dated July 20, 1966 (2022), gave the Bureau their consent to dispose of mineral materials from powersite lands. The memorandum requires that:

1. Any permit or contract so issued must contain the stipulation set forth in paragraph III of the memorandum and the powersite stipulation as follows:

Paragraph III

That the U.S., its permittees, lessees, and licensees shall not be responsible or held liable or incur any liability for the damage, destruction, or loss of any land, crops, facilities installed or erected, income, or other property or investments resulting from the use of such lands or portions thereof for power development at any time where such power development is made by or under the authority of the United States.

Powersite Stipulation

That in the event the said lands are required for power purposes, any improvements or structures placed thereon which shall be found to interfere with such development shall be removed or relocated as may be necessary to eliminate interference with power development at no cost to the United States, its power permittees, or licensees.

2. No disposals may be made from within an operating power project.

3. No permit or contract shall be for a term of over 5 years, except with prior consent from the Federal Power Commission.

FERC has no authority to dispose of mineral material from lands withdrawn for powersite purposes.

F. Joint BLM/Forest Service Disposals. If the Forest Service/BLM boundary divides a proposed mineral material site, it may be desirable to seek an MOU with the Forest Service, so that the site may be developed with one contract, one payment method, and one set of stipulations. The MOU should clearly specify the division of receipts to each agency.

G. Acquired Lands. Mineral materials, unlike locatable minerals, remain salable on acquired lands. The 1947 Materials Act, as amended, is the authority.

H. Bureau of Reclamation Withdrawals. (Reserved)

I. Special Lands in Alaska.

1. NPR-A. Pursuant to the National Petroleum Reserves Production Act of 1976 (the Act), mineral material disposals from within the boundaries of the NPR-A may be made for appropriate use by Alaska natives and for uses necessary to carry out the responsibilities under the Act. Disposals within the NPR-A cannot be made for use outside the NPR-A.

2. ANCSA. (Reserved)

Chapter VI. ACCESS

A. Federal Ownership of Surface and Minerals - Public Access Available. In most cases, a right-of-way is not necessary to allow a permittee access to an approved mineral material site. The purchaser may utilize an implied right of access from the sale, with any special concerns handled as stipulations in the sale. In a rare case, where the BLM cannot grant access across the public land due to legal barriers, such as Endangered Species Act violations, the permittee may be forced to obtain access through non-Federal land. When this situation occurs, potential permittees should be notified of this access problem in advance of the sale.

B. Federal Ownership of Surface and Minerals - Access Through Private Property. The BLM does not guarantee access through private surface. The BLM's role is to educate parties about their rights but not to actively seek resolution between surface owners and private parties to resolve access disputes. If a company cannot obtain access, BLM does not refund the bid deposit. Potential permittees should be notified of their responsibility to acquire access and the potential loss of their bid deposit. A permittee unable to acquire access from the private landowner may be able to obtain an easement or R/W by necessity under State law. Where access to BLM minerals is through U.S. Forest Service land or land administered by a Federal agency other than BLM, that agency's consent should be obtained prior to issuing a use authorization. Section 205 of FLPMA gave BLM authority to acquire access at Government expense, but this will not be done for mineral development. On October 6, 1981, the Director rejected a proposal for test cases in coal and geothermal development. The potential cost in money and personnel to provide access to all mineral leases would be too great.

C. Private Surface with Minerals Reserved to the U.S. - Access Across the Same. Most patents under which the minerals were reserved to the Government also reserved "the right to prospect for, mine and remove the same." The reservation for access applies to an entire patent even if it has been subdivided into separate ownerships. Otherwise, a surface owner could block access to reserved Federal minerals simply by subdividing. (See Mountain Fuel Supply v. Smith, 471 F. 2nd 59.) The 1916 Stock-Raising Homestead Act and the Taylor Grazing Act control the measure of damages owed to the surface owner for disturbances related to mineral extraction and associated access. Permittees should be notified of the compensation provisions of the SRHA and Taylor Grazing Act and the Bureau's role in arbitration.

Chapter VII. UNAUTHORIZED USE OF MINERAL MATERIALS

A. Surveillance. All resource specialists should be alert to possible unauthorized severances or removals of mineral materials. Upon determining that materials are being removed illegally, action should be taken immediately to abate further removal. Efforts should also be made to educate the public, through press releases, meetings, etc. on the ownership of mineral materials and the consequences of unauthorized use.

B. Recovery of Damages. The procedures for notification of unauthorized use and the collection of damages owed to the Government are standard for all resource trespass in the Bureau. Those procedures are found in 43 CFR Part 9230 and Manual 9230. Regulations prescribing the measure of damages in mineral materials cases are found in 43 CFR Section 9239.0-8 and 43 CFR 9239.5-1 and 9239.5-3. All trespass notices (Bureau Form 9230-1) should specify the estimated volume of materials removed and should also contain the standard right of appeal notice found on all administrative decisions.

C. Stock Raising Homestead Act Trespass. Notices of trespass will not be issued, nor will other actions be initiated to collect trespass damages for removals of salable minerals occurring prior to July 21, 1983, except in those cases where official notices (Bureau Form 9230-1) or appealable administrative decisions have been issued. In those cases where the Bureau has given official notification, the Bureau must pursue collection of damages pursuant to the Federal Claims Collection Act, 31 U.S.C. §3711, and implementing regulations, 4 CFR Part 101 (1983). Any compromise or waiver of damages is subject to approval by the Office of the Solicitor. Damages accruing prior to July 21, 1983, will be assessed at the innocent rate. Where official notice has been made, the Bureau should attempt to collect the total value of materials severed; however, officials should be aware that where the amount of damages are in dispute, the trespasser may be liable for only those damages accruing within the statute of limitations period set forth in 28 U.S.C. §2415. There may also be situations where the statute of limitations may not apply, making the trespasser liable for damages incurred outside the normal statute of limitations period. Where unauthorized removal can be verified by the month, it is desirable to document such amounts in the case file.

Where the trespassing parties have not been officially notified, the Bureau will attempt to collect damages only for materials removed after July 21, 1983, through the issuances of notices of trespass (Form 9230-1). Where possible, the trespass notice should state the alleged volume of materials removed from July 21, 1983, to the time of notice.

Reference to the Supreme Court decision should also be included in the notice, by appending the statement, "as affirmed by the Supreme Court in Watt v. Western Nuclear, Inc., 103 S.Ct. 2218 (June 6, 1983)," after citation of the violated laws. The trespasser should also be advised that further removal of materials would be considered willful trespass.

Upon failure to reach a settlement of the trespass at the District level, the case should be sent to the State Director for further action as outlined in Manual 9230. The demand letter sent from the State Office should be in decision form, notifying the recipient of his right to appeal, accompanied by a completed Bureau Form 1842-1 and copy of Bureau Form 1370-1, bill/receipt form. These attachments are not currently prescribed in the 9230 Manual, but are necessary to notify trespassing parties of their right to appeal a Bureau decision. Changes in the trespass Manual are currently being drafted to reflect this need.

Where official notice has been issued and trespass actions are in motion, the Bureau should strive to prevent the unnecessary shutdown of operations by issuing use authorizations where some form of satisfactory arrangement for the settlement of the debt can be made, pursuant to 43 CFR § 9239.0-9(b). In addition to the four examples of arrangements found in paragraph (b), contracts or permits may be issued if the following provision is made a part of the contract or permit:

> This contract (permit) is conditioned on agreement between the authorized officer and the permittee as to the liability of the permittee for payment of trespass damages due the Government. Failure to agree upon satisfactory payment terms within 6 months after issuance of this contract (permit) will result in termination of this contract (permit) by the authorized officer. This condition shall not be construed to constitute a waiver of any other legal rights the Government may have to collect trespass damages for past unauthorized use.

Contracts or permits may also be issued to persons who have not made a satisfactory arrangement for payment of debt if the three conditions found in 43 CFR §9239.0-9(b) are met.

D. Law Enforcement Under Section 303 of FLPMA. Section 303 of FLPMA allows the Secretary to authorize Federal personnel or local officials to carry out law enforcement responsibilities with respect to the public land and resources. These law enforcement responsibilities include the authority to carry firearms, serve warrants, and make arrests (without warrants under certain circumstances) in enforcing Federal laws and regulations relating to the public lands or their resources. Actions taken under Section 303 authority are generally in response to criminal actions as opposed to the Bureau's standard unauthorized use process which is a civil procedure designed to collect damages.

In a situation where normal unauthorized use procedures are ineffective in curtailing unauthorized use and where the unauthorized user is unwilling to cooperate, criminal charges under Section 303 of FLPMA may be appropriate. The first step in initiating such proceedings is to contact the special agent serving your jurisdiction. Having provided the agent with available background and other pertinent information, the agent will conduct an investigation. The appropriate United States Attorney will review all investigations of alleged felony or misdemeanor violations of Federal law or regulation and authorize or decline prosecution of the case. The United States Attorney is the only person authorized to decide that the case should not be prosecuted. In some cases where the United States Attorney declines to prosecute, charges may be filed under applicable State or local laws. If convicted, the unauthorized user may be penalized with a fine and or period of incarceration. Civil charges may be filed to collect damages for material removed.

E. Common Variety Distinctions. (Reserved)

Chapter VIII. FINANCIAL MANAGEMENT SYSTEM AND REPORTING DISPOSAL DATA AND PROGRESS (RESERVED)

Chapter IX. REFERENCES IN CASE LAW

A. Extensions of Contract Terms.

1. 35 IBLA 33 (1978).

2. 45 IBLA 151 (1980).

B. Material Site Rights-of-Way.

1. 6 IBLA 72 (1972).

2. 61 IBLA 116 (1982).

C. Refunds or Credits.

1. 79 IBLA 76 (1984).

D. Land Status.

1. 62 IBLA 187 (1982).

E. Alaska, NPR-A.

1. 68 IBLA 359 (1982).

Vegetative or Mineral Material Negotiated

Cash Sale Contract (Sale)

Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VEGETATIVE OR MINERAL MATERIAL
NEGOTIATED CASH SALE CONTRACT
($999 or less)

State: Wyoming

District: Worland

Date of Sale: May 31, 1983

Name of Purchaser (first, middle, last): John M. Dough

Address (include zip code):
123 Maple St.
Worland, Wyoming 12345

KIND OF PRODUCT	EST. QTY. (Units)	RATE/ UNIT	PRICE
sand & gravel	200 yd³	$ .50	$100.00
reclamation fee	200 yd³	$ .20	$40.00
		TOTAL	$140.00

Purchaser is liable for total purchase price shown above. There will be no refunds. Additional payment, if any, will be made in accordance with Sec. 1(c). This contract is made under terms of Sec. 1(a) and the stipulations indicated.

Contract expires (date): August 23, 1983 — ALL MATERIALS MUST BE REMOVED PRIOR TO THIS DATE

Location of sale: Worland Community Pit-W-012345

RECEIVED AS PAYMENT IN FULL

ACCOUNT	COUNTY	PRICE
P. D. (5881)	Washakie	$100
O & C (5882)		
CBWR (5897)		
Road Maintenance Fee (9110) or (9120)		
Material Site Reclamation (5310) or (5320)		40

Purchaser certifies that he is twenty-one years of age or older and a citizen of the United States.

Signature of Purchaser: John M. Dough

Signature of Authorized Officer: Art Authorized

Form 5450-5 (November 1984)

(See instructions on reverse of District copy)

SEC. 1 CONTRACT TERMS
(check appropriate block)

☑ (a) All materials in contract area in excess of estimated quantity are reserved by the Government. ☑ Severence ☑ removal in excess of that quantity will subject Purchaser to trespass action.

☐ (b) The quantity of material is a predetermined amount and may be more or less than the actual amount.

☐ (c) If total number of units ☐ severed ☐ removed exceeds estimated units additional units shall be paid for at unit rate at time and place designated by the Authorized Officer.

SEC. 2 GENERAL STIPULATIONS
(check appropriate block)

All materials are to be removed in strict accordance with instructions of Authorized Officer and the following conditions and requirements:

No material may be ☑ severed ☑ removed unless marked or otherwise designated by Authorized Officer.

Title to material sold under this contract shall remain in Government and shall not pass to Purchaser until such material has been removed from contract area. If this contract involves severence of vegetative material, risk of loss shall be borne by Purchaser after material is cut. Nothing herein shall be construed to relieve Purchaser from liability for any breach of contract or any wrongful or negligent act, or for any violation of any applicable regulation of the Department of the Interior.

Purchaser shall take such measures for prevention and suppression of fire on the contract area and other Government lands as are required by applicable laws and regulations. Purchaser shall dispose of refuse in accordance with instructions from Authorized Officer.

SEC. 3 SPECIAL STIPULATIONS

H-3600-1 - MINERAL MATERIALS DISPOSAL HANDBOOK

Vegetative or Mineral Material Negotiated

Cash Sale Contract (Free Use)

Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VEGETATIVE OR MINERAL MATERIAL
NEGOTIATED CASH SALE CONTRACT
($999 or less)

State: Wyoming

District: Worland

Date of Sale: May 31, 1983

Name of Purchaser *(first, middle, last)*: Worland School District

Address *(include zip code)*: 456 Any Street
Worland, Wyoming 12345

KIND OF PRODUCT	EST. QTY. *(Units)*	RATE/ UNIT	PRICE
sand & gravel	200 yd^3	$ .50	$ ~~0~~
reclamation fee	200 yd^3	$ .20	$ 40 00
		TOTAL	$ 40 00

Purchaser is liable for total purchase price shown above. There will be no refunds. Additional payment, if any, will be made in accordance with Sec. 1(c). This contract is made under terms of Sec. 1(a) and the stipulations indicated.

Contract expires *(date)*: August 31, 1983

ALL MATERIALS MUST BE REMOVED PRIOR TO THIS DATE

Location of sale: Worland Community Pit-W-012345
SW¼SW¼, Sec. 5, T.58N R65W

RECEIVED AS PAYMENT IN FULL

ACCOUNT	COUNTY	PRICE
P. D. (5881)		$
O & C (5882)		
CBWR (S897)		
Road Maintenance Fee (9110) or (9120)		
Material Site Reclamation (5310) or (S320)		$ 40 00

Purchaser certifies that he is twenty-one years of age or older and a citizen of the United States.

Signature of Purchaser: Ed Education

Signature of Authorized Officer: Art Authorized

Form 5450-5 (November 1984)

See instructions on reverse of District copy

SEC. 1 CONTRACT TERMS
(check appropriate block)

☑ (a) All materials in contract area in excess of estimated quantity are reserved by the Government. ☑ Severence ☑ removal in excess of that quantity will subject Purchaser to trespass action.

☐ (b) The quantity of material is a predetermined amount and may be more or less than the actual amount.

☐ (c) If total number of units ☐ severed ☐ removed exceeds estimated units additional units shall be paid for at unit rate at time and place designated by the Authorized Officer.

SEC. 2 GENERAL STIPULATIONS
(check appropriate block)

All materials are to be removed in strict accordance with instructions of Authorized Officer and the following conditions and requirements:

No material may be ☑ severed ☑ removed unless marked or otherwise designated by Authorized Officer.

Title to material sold under this contract shall remain in Government and shall not pass to Purchaser until such material has been removed from contract area. If this contract involves severence of vegetative material, risk of loss shall be borne by Purchaser after material is cut. Nothing herein shall be construed to relieve Purchaser from liability for any breach of contract or any wrongful or negligent act, or for any violation of any applicable regulation of the Department of the Interior.

Purchaser shall take such measures for prevention and suppression of fire on the contract area and other Government lands as are required by applicable laws and regulations. Purchaser shall dispose of refuse in accordance with instructions from Authorized Officer.

SEC. 3 SPECIAL STIPULATIONS

Sample Calculation of Reclamation Costs

COMMUNITY PIT CENTER W-012345

Reclamation Cost

Unit Reclamation Cost (URC)

Total Reclamation Cost (TRC)

Total Volume of Material to be Removed (TVM)

$$URC = \frac{TRC}{TVM}$$

Total Reclamation Cost (Estimated)

Equipment Rental:	
Dozer - $30/hr for 4 hrs.....	$120.00
Harrow - $5/hr for 2 hrs.....	10.00
	$130.00
Seed:	
4 lbs/acre western wheat ($1.50/lb).....	$6.00
4 lbs/acre crested wheat ($0.50/lb).....	2.00
4 lbs/acre nomad alfalfa ($2.00/lb).....	8.00
4 lbs/acre yellow sweet clover ($0.21/lb).....	1.00
	$17.00
Wages: (See application)	
Includes gas, vehicle, etc.	$50.00
Technical Support:	
1 man at $6.50/hr. for 8 hrs.	$52.00
Vehicle use (gas, oil, etc.)	10.00
	$62.00
GRAND TOTAL	$259.00

Total volume of material to be removed: 4,000 yds.

$$URC = \frac{\$259.00\ (TRC)}{4{,}000\ \text{cu. yds. (TVM)}}$$

.064 per yard

4,000/$259.00

Therefore: Reclamation Cost per yard would be $0.06

FORM 1370-35
(MAY 1979)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COLLECTION DATA SHEET

BILLEE OR PAYER John M. Dough

IN/OUT GOV'T O

STATE Wy OFFICE 010

	COLLECTION	BILL
DOC. DATE	X	5-2383
DOC. TYPE	X	DT

COMMON DATA ON ALL CARDS

	COLLECTION	BILL
DOC NO	X	123456
BLOCK NO	X	
TRANS CODE	X	34

FUND SYMBOL					GENERAL LEDGER	OTHER AGENCY STATION SYMBOL NO	GEOGRAPHIC LOCATION					AMOUNT
DEPT.	AGCY	LIM	CLASSIFICATION	SUBCLASS			STATE	COUNTY	FUMM	OTHER IDENTIFICATION	TYPE LAND	
19			5881				56		24			$100 00

TYPE OF DOCUMENT CODES

Billing
- BR 1370-1 Bill/Receipt
- CB 1370-37, 38 Crossing Bill/Receipt
- PS 1370-10 Payment Statement
- TS Unmetered Timber Sale Contract
- TT SF 1081 Vou. & Sch. of Withdrawals & Credits

Collection
- DT SF 215 Deposit Ticket
- DV TF 5506 Debit Voucher
- TF SF 1081 Vou. & Sch. of Withdrawals & Credits

General
- JV SF 1017G Journal Voucher

TRANSACTION CODES

Billing
- 12 Copy Fees
- 13 BLM Revenue or Suspense
- 16 Revenue from Timber Sale Contract
- 19 For Other Agencies

Collection
- 30 Previously Billed - BLM
- 33 Previously Bill - For Other Agencies
- 36 Not Billed - BLM
- 37 Not Billed - For Other Agencies

General
- 93 Unmetered Timber Sale Contract

APPROPRIATED GENERAL & SPECIAL FUNDS TRUST, DEPOSIT & CLEARING ACCOUNT FUNDS BLM MANUAL, SECTION 1321

GENERAL LEDGER	AVAIL YEAR	ACTIVITY	COMPONENT JOB CODE	PROJECT	OBJECT CLASS	AMOUNT
	41	5320				$40.00

* This illustration shows that information taken from Form 5450-5. Other information may be needed before submittal.

Cash Bond

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

Contract Number

CASH BOND

Bond Number

Know All Men By These Presents, That __ I __ We _____
_____ of _____,
State of _____, doing business as an __ individual __ partnership __ corporation organized and existing under the laws of the State of _____ as Principal, is held and firmly bound unto the United States of America in the penal sum of _____ dollars ($_____), lawful money of the United States, for the payment of which, well and truly to be made, I bind myself, my heirs, executors, administrators, successors and assigns, jointly and severally as a further guarantee of which a cash deposit has been made with the Bureau of Land Management at _____in the sum of $_____.

That, the said Principal does hereby constitute and appoint the Secretary of the Interior as his attorney, to tranafer and apply the said deposit, as security for the faithful performance of any and all of the conditions or stipulations as set out in the above-noted contract made under the Act of _____ and the regulations thereunder set forth in 43 CFR, Part _____, upon conditions therein expressed, and it is agreed that, in case of any default in the performance of any condition or stipulation of such contract, the said attorney shall have full power to assign, appropriate, tranafer, and apply said deposit or any part thereof, without notice, and to apply the proceeds of such collection in whole or in part to the satisfaction of any damages or deficiencies, arising by reason of default, as said attorney may deem best.

The said Principal hereby ratifies and confirms whatever his said attorney shall do by virtue of these presents.

If the said Principal, his successors or assigns shall fully comply with all the provisions of the above-described contract and shall make all payments due under said contract as therein provided, then and in that event the above obligation shall be null and void and the deposit shall be released and returned to the Principal. Otherwise, said obligation shall remain in full force and effect.

Signed, sealed, and delivered this____day of _____, 19__ .

If individual or partnership, sign here

_____

By_____
(name)

_____
(address)

_____
(name)

_____
(address)

_____
(name)

_____
(address)

_____
(name)

_____
(address)

In the presence of two witnesses

_____
(witness)

_____
(address)

_____
(witness)

_____
(address)

If corporation, sign here:

_____

By_____
(name)

_____
(title)

THE UNITED STATES OF AMERICA
Signed and Approved:_____

By_____
(name)

_____
(title)

CORPORATION CERTIFICATE

If Purchaser is a corporation, the following certificate shall be executed by the Secretary of the Corporation.

I,_____, certify that I am the _____ ____ Secretary of the corporation named as Purchaser herein; that _____ _____, who signed this contract, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate power .

(Corporate Seal)

Personal Bond for Book Entry Deposits

Contract Number_____
Bond Number_____

PERSONAL BOND AND POWER OF ATTORNEY
UNDER CONTRACT FOR MINERAL MATERIALS
July 31, 1947 (30 U.S.C. 601 et. seq.)

KNOW ALL MEN BY THESE PRESENTS, That

, as Obligor, is held and firmly bound unto the United States in the sum of dollars ($) lawful money of the United States for the use and benefit of (1) the United States and (2) any owner of a portion of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the above-mentioned deposits to the United States, for which payment, well and truly to be made, he binds himself, his heirs, executors, administrators, successors, and assigns, jointly and severally, as a further guarantee of which a deposit has been made with the Bureau of Land Management in the sum of $ in the form of

The condition of the foregoing obligation is such that, whereas the Obligor has been granted the contract referred to above, upon the lands described therein and upon conditions therein expressed.

The said Obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, to transfer and apply the said deposit, pursuant to authority conferred by Section 1 of the Act of July 30, 1947 (61 Stat. 646; 6 U.S.C. 15) as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking, the said attorney shall have full power to assign, appropriate, transfer, and apply said deposit or any portion thereof and to apply proceeds to the satisfaction of any damages, or deficiencies arising by reason of such default as said attorney may deem best. The said Obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said Attorney shall do by virtue of these presents.

NOW THEREFORE, if said Obligor, his successors or assigns shall fully comply with the provisions of the contract referred to above, then and in that event the above obligation shall be null and void and the deposit shall be released and returned to the Obligor. Otherwise, said obligation shall remain in full force and effect.

Signed on this day of , 19 , in the presence of:

WITNESSES:

_____
(Signature)

_____
(Address)

OBLIGOR:

_____
(Signature of Obligor)

_____
(Business Address)

Bond Secured by Treasury Notes or Bonds

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BOND
UNDER CONTRACT FOR
MINERAL MATERIAL DEPOSITS

Contract Number

Bond Number

Know All Men By These Presents,That

,as obligor, is held and firmly bound unto the United States in the sum of dollars,($), lawful money of the United States, for the payment of which, well and truly to be made, he binds himself, his heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such, that whereas the above named obligor entered into a contract for mineral materials and upon conditions therein expressed, which contract bears the above contract number.

Now Therefore, if the said obligor, his heirs, executors, administrators, or successors, shall faithfully carry out the obligations and observe the requirements of said contract and shall duly keep, perform, and abide by each and every term and provision of said contract as therein stipulated and agreed, then this obligation shall be null and void; otherwise to remain in full force and effect.

That said obligor, in order the more fully to secure the United States in the payment of the aforesaid sum, hereby pledges as security therefor bonds of the United States,of a par value equal to the amount specified, which said bonds are numbered serially and are in the denominations and amounts and are otherwise more particularly described as follows, bonds of:
$, bearing % interest, with coupons attached to each, numbered

which said bonds have been deposited with the Secretary of the Interior.

That the said obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, for him and in his name to collect or to sell, assign, and transfer the said United States bonds above-described and deposited by the obligor, as aforesaid, pursuant to authority conferred under the Act of and the regulations thereunder set forth in 43 CFR, Part ,as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking the said attorney shall have full power to collect said bonds or any part thereof, or to sell, assign, and transfer said bonds or any part thereof without notice, at public or private sale, free from any equity of redemption or without appraisement or valuation, notice and right to redeem being waived, and to apply proceeds of such sale or collection to the full amount of the bond to the satisfaction of any damages, or deficiencies arising by reason of such default, as said attorney may deem best. The interest accruing upon said United States bonds deposited as above stated, in the absence of any default in the performance of any of the conditions or stipulations of the bond, shall be paid to said obligor. The said obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said attorney shall do by virtue of these presents.

Signed on this day of 19 , in the presence of:

(Signature of Witness) (Signature of Obligor)

(Address of Witness) (Address of Obligor)

CORPORATION CERTIFICATE

If Purchaser is a corporation, the following certificate shall be executed by the Secretary or Assistant Secretary of the Corporation.

I, ,certify that I am the Secretary of the corporation named as Purchaser herein; that , who signed this contract, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

(Corporate Seal)

Corporate Surety Bond

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BOND UNDER CONTRACT FOR MINERAL MATERIAL DEPOSITS

Contract Number_____
Bond Number_____

KNOW ALL MEN BY THESE PRESENTS, That

of , as principal,

and

of , as surety,

are held and firmly bound unto the United States in the sum of
dollars

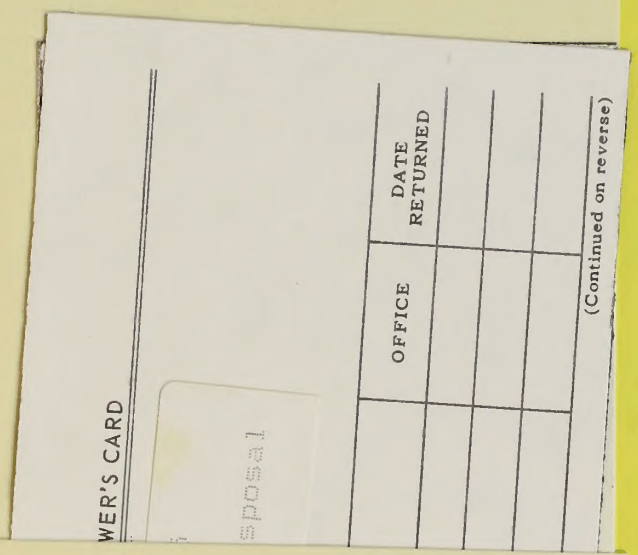
($), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such, that whereas the said principal entered into a contract for the deposits therein and upon conditions therein expressed, which contract bears the above contract number.

NOW, THEREFORE, if the said principal, his heirs, executors, administrators, or successors, shall faithfully carry out the obligations and observe the requirements of said contract and shall duly keep, perform, and abide by each and every term and provision of said contract as therein stipulated and agreed, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed on this day of , 19 , in the presence of:

_____ (Signature of Witness)	_____ (Signature of Principal)
_____ (Address of Witness)	_____ (Address of Principal)
_____ (Signature of Witness)	_____ (Signature of Surety)
_____ (Address of Witness)	_____ (Address of Surety)
_____ (Signature of Witness)	_____ (Signature of Surety)
_____ (Address of Witness)	_____ (Address of Surety)



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